



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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August 14, 2006

TO: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **REGIONAL PARK AND OPEN SPACE DISTRICT PROPOSITION A  
GRANT AUDITS (WORK ORDER 6-85B)**

The Los Angeles County Regional Park and Open Space District (District) was created by Proposition A (formally called the Los Angeles County Safe Neighborhood Parks Act) in 1992. The District is authorized to levy benefit assessments to preserve beaches, parks and wildlife; to construct, renovate and improve new and existing recreational facilities; and to restore rivers, streams and trails. The District is governed by your Board, and administered by the Department of Parks and Recreation (DPR). The District makes grants to other government entities to benefit recreational facilities.

At DPR's request, we contracted with a Certified Public Accounting firm, Mayer Hoffman McCann P.C. (Mayer), to audit 30 closed grant projects, totaling approximately \$7 million, to verify that the grant recipients properly spent and accounted for the Proposition A funds.

**Review Summary**

Mayer identified one grant with ineligible settlement costs of \$76,622. Mayer also identified another grant that did not have adequate documentation to support \$103,990 in claimed expenditures, resulting in a total of \$180,612 in questioned costs. Attachment I summarizes the Proposition A grants that were audited, including the two grants with questioned costs.

*"To Enrich Lives Through Effective and Caring Service"*

### **Review of Report**

Attachment II is the District's response to the grants with questioned costs. For the first grant mentioned above, the District determined that the grantee had documented sufficient eligible costs from non-grant sources to replace the ineligible settlement costs. For the second grant, the District found that, although adequate documentation of project expenditures was not maintained, the project was completed in compliance with the grant project description. As a result, the District will not pursue reimbursement from either grantee. The District's response also indicates that it will remind all grantees of the need to comply with their grant agreements and the District's Procedural Guide.

Mayer provided copies of their reports for each grant to the grantee and to the District. Because of the large number of reports, copies are not enclosed, but are available for your review. Please call if you have any questions, or have your staff call Jim Schneiderman at (626) 293-1101 if you wish to review any of the reports.

JTM:MMO:JLS:MR

#### **Attachments**

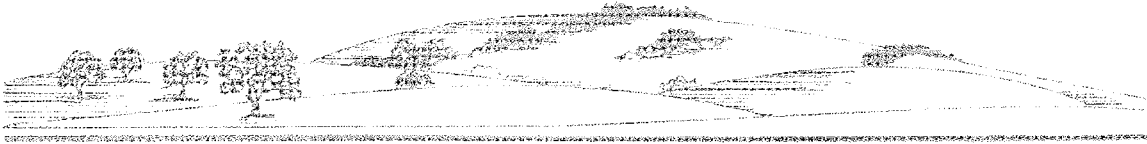
c: David E. Janssen, Chief Administrative Officer  
Russ Guiney, Director, Parks and Recreation  
Ilona Volkmann, Administrator, Regional Park & Open Space District  
Public Information Office  
Audit Committee

**REGIONAL PARK AND OPEN SPACE DISTRICT  
FY 2004-2005 PROPOSITION A GRANTS**

	Agency	Project	Grant Number	Supervisorial	
				District	Grant Amount
1	City of Los Angeles	Hope and Peace Park	58F6-00-1164	1st	\$ 600,000
2	LA Conservation Corps	Saybrook Park Playground	58M1-05-1345	1st	\$ 79,210
3	Maywood, Community Services	Maywood City Park Playground Project	58G2-00-1206	1st	\$ 59,890
4	Montebello, Parks & Recreation	Lohart Tree Planting Project	58G4-98-0702	1st	\$ 100,000
5	Pomona, Parks & Recreation	Palomares Park Senior Center	58H3-00-0833	1st	\$ 384,000
6	Azusa, Parks & Recreation	Memorial Park Fencing Project	58A8-01-1272	1st	\$ 55,000
7	Commerce, Parks & Recreation	Bristow Park Playground Restoration	58C2-01-1290	1st	\$ 55,314
8	LA Conservation Corps	Exposition Boulevard Tree Planting	58M1-97-0640	2nd	\$ 9,135
9	Lynwood, Facilities Maintenance	Lynwood Youth Center	58F8-02-1315	2nd	\$ 157,584 (1)
10	Compton, Parks & Recreation	Compton Parks Lighting Project	58C3-94-0185	2nd	\$ 159,401
11	County of LA, Public Works	CDS Unit at Main and Hollister	58L6-00-1225	3rd	\$ 94,126
12	City of Los Angeles, Public Works	Bay Club Drive Low Flow Diversion	58L5-98-0675	3rd	\$ 138,174
13	LA Redevelopment Agency	Pacoima Tree Planting	58F6-00-0844	3rd	\$ 100,000
14	West Hollywood	West Hollywood Park - General Improvements	58K8-95-0329	3rd	\$ 131,600
15	Westlake Village	Foxfield Park	58K9-01-1278	3rd	\$ 52,014
16	County of LA, Parks & Recreation	Pathfinder Park Senior Center	0790-01-1260	4th	\$ 96,790
17	County of LA, Parks & Recreation	La Mirada Park Swimming Pools	1270-95-0335	4th	\$ 375,093
18	Lomita	Hathaway Park Restoration	58F4-04-2049	4th	\$ 80,000
19	Norwalk	Foster Road Greenbelt and Regional Trail	58G6-00-0838	4th	\$ 740,490
20	Redondo Beach	Wilderness Park Improvement Project	58H5-00-1180	4th	\$ 25,000
21	Signal Hill	Raymond Arbor Park	58J8-01-1286	4th	\$ 65,166
22	Artesia	A.J. Padleford Park At-Risk Youth	58A6-00-1214	4th	\$ 500,000
23	Downey	Rio San Gabriel Park	58C8-00-1215	4th	\$ 436,861
24	County of LA, Parks & Recreation	Castaic Lake General Improvements	0850-96-0537	5th	\$ 488,063 (2)
25	County of LA, Parks & Recreation	William S. Hart Park General Improvements	1170-97-0599	5th	\$ 1,263,320
26	La Cañada-Flintridge	FIS Tennis Courts	58E5-02-1313	5th	\$ 118,661
27	Lancaster	Prime Desert Woodland Preserve	58E9-00-1176	5th	\$ 186,640
28	Pasadena	Allendale Park Lighting Project	58H1-05-1346	5th	\$ 24,668
29	Santa Clarita	Sand Canyon Trail	58J4-02-1305	5th	\$ 15,000
30	Temple City	Live Oak Park Picnic Shelter Improvements	58K3-01-1287	5th	\$ 311,175
<b>Total</b>					<b><u>\$ 6,902,375</u></b>

(1) Mayer Hoffman questioned \$76,622 in costs due to the ineligibility of settlement costs. However, the District determined that the grantee had other eligible costs from non-grant sources that could replace the questioned costs.

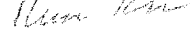
(2) Mayer Hoffman questioned \$103,990 in costs due to a lack of supporting documentation. However, the District determined that the questioned costs were allowable.



**LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT**

August 1, 2006

To: Honorable Gloria Molina, First Supervisorial District  
Honorable Yvonne B. Burke, Second Supervisorial District  
Honorable Zev Yaroslavsky, Third Supervisorial District  
Honorable Don Knabe, Fourth Supervisorial District  
Mayor Michael D. Antonovich, Fifth Supervisorial District

FROM: Russ Guiney   
Director, Parks and Recreation

SUBJECT: **REGIONAL PARK AND OPEN SPACE DISTRICT PROPOSITION A  
GRANT AUDITS (WORK ORDER 6-85B)**

A routine audit was performed by the Certified Public Accounting firm, Mayer Hoffman McCann, of thirty Proposition A grants. The District determined that the two projects with audit findings had been completed in compliance with each grant's project description. As a result, the District will not pursue reimbursement from these grantees.

For one of the grants, the City of Lynwood's Youth Center, Grant No. 58F8-02-1315, the auditors questioned certain costs because they were unable to determine if attorney fees were included in one payment. Costs arising from damage judgments pertaining to construction are ineligible for grant reimbursement. However, the District found that the grantee had sufficient eligible costs documented from non-grant sources to replace the questioned costs that were reimbursed by the District.

In addition, the audit found that this grantee had not named the District as an additionally insured party and had not retained the grant documentation for the period required by the grant agreement. The District's grant agreements require that grantees agree to retain financial accounts, documents and records for five years following Project completion, which is defined as the date the District officially closes the project. To clarify the record retention period, the District continues to include in all notices for closing projects, a reminder to the grantee that they are required to retain the documentation for five years from the date of the notice.

## Attachment II

Honorable Board of Supervisors  
August 1, 2006  
Page 2

The second grant with costs questioned by Mayer Hoffman McCann (Grant # 0850-96-0537) was a grant to the County Department of Parks and Recreation for the Castaic Lake General Improvements Project. Costs incurred on County grants before 2001, such as the above grant, were billed directly against District funds and documents supporting those costs were not always retained. In 2001, the County revised procedures so that all remaining and subsequent grants would be administered on a reimbursement basis with District document review to resolve this and other issues that arose as a result of the initial procedures.

To reinforce the procedural guide portion of the District's grant agreements, the two grantees mentioned in this letter as well as all District grantees will now be sent an annual notice reminding them of their agreement to adhere strictly to the District's Procedural Guide during the administration of their projects. Grantees will also be informed that the Procedural Guide is available on the District's new website at <http://openspacedistrict.lacounty.info>.

Please call if you have any questions or your staff can contact Ilona Volkmann, Administrator, Regional Park and Open Space District, at (213) 738-2981.

Attachment

c: David E. Janssen, Chief Administrative Officer  
Sachi A. Hamai, Executive Officer  
Ilona Volkmann, Administrator, Regional Park and Open Space District  
Public Information Office  
Audit Committee